

59-2-108 Election for assessment and taxation of noncapitalized personal property according to a schedule.

(1) As used in this section:

(a)

(i) "Acquisition cost" means all costs required to put an item of tangible personal property into service; and

(ii) includes:

(A) the purchase price for a new or used item;

(B) the cost of freight and shipping;

(C) the cost of installation, engineering, erection, or assembly; and

(D) sales and use taxes.

(b)

(i) "Item of taxable tangible personal property" does not include an improvement to real property or a part that will become an improvement.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "item of taxable tangible personal property."

(c) "Noncapitalized personal property" means an item of tangible personal property:

(i) that has an acquisition cost of \$1,000 or less; and

(ii) with respect to which a deduction is allowed under Section 162 or Section 179, Internal Revenue Code, in the year of acquisition, regardless of whether a deduction is actually claimed.

(d) "Taxable tangible personal property" means tangible personal property that is subject to taxation under this chapter.

(2)

(a) A person may make an election for the noncapitalized personal property owned by the person to be assessed and taxed as provided in this section.

(b) Except as provided in Subsection (2)(c), a county may not require a person who makes an election under this section to:

(i) itemize noncapitalized personal property on the signed statement described in Section 59-2-306; or

(ii) track noncapitalized personal property.

(c) If a person's noncapitalized personal property for which the person makes an election under this section is examined in accordance with Section 59-2-306, the person shall provide proof of the acquisition cost of the noncapitalized personal property.

(3)

(a) An election under this section may not be revoked.

(b) Except as provided in Subsection (3)(d), if a person makes an election under this section with respect to noncapitalized personal property, the person shall pay taxes on the noncapitalized personal property according to the schedule described in Subsection (4).

(c) If a person sells or otherwise disposes of an item of noncapitalized personal property for which the person makes an election under this section prior to the fourth year after acquisition, the person shall continue to pay taxes according to the schedule described in Subsection (4).

(d) If a person makes an election under this section for noncapitalized personal property acquired on or before December 31, 2012, at a time after the first year after acquisition, the person shall pay taxes according to the taxable value for the applicable one or more years after acquisition as determined by the schedule described in Subsection (4).

- (e) If a person makes an election under this section, the person may not appeal the values described in Subsection (4).
- (4) The taxable value of noncapitalized personal property for which a person makes an election under this section is calculated by applying the percent good factor against the acquisition cost of the noncapitalized personal property as follows:

Noncapitalized Personal Property Schedule	
Year after Acquisition	Percent Good of Acquisition Cost
First year after acquisition	75%
Second year after acquisition	50%
Third year after acquisition	25%
Fourth year after acquisition	0%

Amended by Chapter 248, 2013 General Session